

ASSEMBLY BILL

No. 1001

Introduced by Assembly Member Jeffries

February 18, 2011

An act to amend Section 5060 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 1001, as introduced, Jeffries. Vehicles: special interest license plates.

Existing law authorizes an organization to apply to the department for participation in a special interest license program.

This bill would make technical, nonsubstantive changes to that law.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5060 of the Vehicle Code is amended to
2 read:
3 5060. (a) An organization may apply to the department for
4 participation in a special interest license plate program and the
5 department shall issue special license plates for that program if
6 the issuance of those plates is required by this article, the
7 sponsoring organization complies with the requirements of this
8 section, and the organization meets all of the following criteria:
9 (1) Qualifies for tax-exempt status under Section 501(c)(3) of
10 the Internal Revenue Code *of the United States* and Section 23701d
11 of the Revenue and Taxation Code.

(2) Submits a financial plan describing the purposes for which the revenues described in paragraph (2) of subdivision (e) will be used.

(3) Submits a design of the organization's proposed special interest license plate that, among other things, provides for the placement of the number and letter characters in a manner that allows for law enforcement to readily identify those characters.

(b) ~~Any~~A person described in Section 5101 may apply for special interest license plates, in lieu of the regular license plates.

(c) The design criteria for a special interest license plate are as follows:

(1) The license plate for a passenger vehicle, commercial vehicle, or trailer shall provide a space not larger than 2 inches by 3 inches to the left of the numerical series and a space not larger than five-eighths of an inch in height below the numerical series for a distinctive design, decal, or descriptive message as authorized by this article. The plates shall be issued in sequential numerical order or, pursuant to Section 5103, in a combination of numbers or letters.

(2) Special interest license plates authorized under this article may be issued for use on a motorcycle. That license plate shall contain a five digit configuration issued in sequential numerical order or, pursuant to Section 5103, in a combination of numbers or letters. There shall be a space to the left of the numerical series for a distinctive design or decal and the characters shall contrast sharply with the uniform background color. ~~No~~ A motorcycle plate containing a full plate graphic design is *not* authorized. Those particular special interest license plates that were issued prior to the discontinuation provided by this paragraph may continue to be used and attached to the vehicle for which they were issued and may be renewed, retained, or transferred pursuant to this code.

(d) (1) ~~No~~ *An* organization ~~may~~ *shall not* be included in the program until not less than 7,500 applications for the particular special interest license plates are received. ~~Each~~ *An* organization shall collect and hold applications for the plates. Once the organization has received at least 7,500 applications, it shall submit the applications, along with the necessary fees, to the department. The department shall not issue ~~any~~ *a* special interest license plate until an organization has received and submitted to the department not less than 7,500 applications for that particular special interest

license plate within the time period prescribed in this section. Advanced payment to the department by an organization representing the department's estimated or actual administrative costs associated with the issuance of a particular special interest license plate shall not constitute compliance with this requirement. The organization shall have 12 months, following the effective date of the enactment of the specific legislation enabling the organization to participate in this program, to receive the required number of applications. If, after that 12 months, 7,500 applications have not been received, the organization shall immediately do either of the following:

(A) Refund to all applicants ~~any~~ fees or deposits that have been collected.

(B) Contact the department to indicate the organization's intent to undertake collection of additional applications and fees or deposits for an additional period, not to exceed 12 months, in order to obtain the minimum 7,500 applications. If an organization elects to exercise the option ~~under pursuant to~~ this paragraph, it shall contact each applicant who has submitted an application with the appropriate fees or deposits to determine if the applicant wishes a refund of fees or deposits or requests the continuance of the holding of the application and fees or deposits until that time that the organization has received 7,500 applications. The organization shall refund the fees or deposits to ~~any an applicant so requesting who requests a refund. In no event shall an~~ An organization shall not collect and hold applications for a period exceeding 24 months following the date of authorization as described in ~~paragraph (2) of subdivision (a).~~

(C) Sequential plate fees shall be paid for the original issuance, renewal, retention, replacement, or transfer of the special interest license plate as determined by the organization and authorized by department's regulations. Those plates containing a personalized message are subject to the fees required pursuant to Sections 5106 and 5108 in addition to ~~any~~ fees required by the special interest license plate program.

(2) (A) If the number of currently outstanding and valid special interest license plates in ~~any a~~ particular program provided for in this article is less than 7,500, the department shall notify the sponsoring organization of that fact and shall inform the organization that if that number is less than 7,500 one year from

1 the date of that notification, the department will no longer issue
2 or replace those special interest license plates.

3 (B) Those particular special interest license plates that were
4 issued prior to the discontinuation provided by subparagraph (A)
5 may continue to be used and attached to the vehicle for which they
6 were issued and may be renewed, retained, or transferred pursuant
7 to this code.

8 (e) (1) The department shall deduct its costs to develop and
9 administer the special interest license plate program from the
10 revenues collected for the plates.

11 (2) The department shall deposit the remaining revenues from
12 the original issuance, renewal, retention, replacement, or transfer
13 of the special interest license plate in a fund ~~which~~ *that* shall be
14 established by the Controller.

15 (f) When payment of renewal fees is not required as specified
16 in Section 4000, or when a person determines to retain the special
17 interest license plate upon a sale, trade, or other release of the
18 vehicle upon which the plate has been displayed, the person shall
19 notify the department and the person may retain and use the plate
20 as authorized by department regulations.

21 (g) An organization that is eligible to participate in a special
22 interest license plate program pursuant to this article and receives
23 funds from the additional fees collected from the sale of special
24 license plates shall not expend annually more than 25 percent of
25 those funds on administrative costs, marketing, or other
26 promotional activities associated with encouraging application for,
27 or renewal of, the special license plates.

28 (h) (1) ~~Every~~ *An* organization authorized ~~under~~ *pursuant to* this
29 article to offer special interest license plates shall prepare and
30 submit an annual accounting report to the department by June 30.
31 The report shall include an accounting of all revenues and
32 expenditures associated with the special interest license plate
33 program.

34 (2) If an organization submits a report pursuant to paragraph
35 (1) indicating that the organization violated the expenditure
36 restriction set forth in subdivision (g), the department shall
37 immediately cease depositing fees in the fund created by the
38 Controller for that organization ~~under~~ *pursuant to* paragraph (2)
39 of subdivision (e) and, instead, shall deposit those fees that would
40 have otherwise been deposited in that fund in a separate fund

1 created by the Controller, which fund is subject to appropriation
2 by the Legislature. The department shall immediately notify the
3 organization of this course of action. The depositing of funds in
4 the account established pursuant to this paragraph shall continue
5 until the organization demonstrates to the satisfaction of the
6 department that the organization is in compliance or will comply
7 with the requirements of subdivision (g). If one year from the date
8 that the organization receives the notice described in this paragraph,
9 the organization is still unable to satisfactorily demonstrate to the
10 department that it is in compliance or will comply with the
11 requirements of subdivision (g), the department shall no longer
12 issue or replace those special interest license plates associated with
13 that organization. Those particular special interest license plates
14 that were issued prior to the discontinuation provided by this
15 paragraph may continue to be used and attached to the vehicle for
16 which they were issued and may be renewed, retained, or
17 transferred pursuant to this code.

18 (3) Upon receiving the reports required under paragraph (1),
19 the department shall prepare and transmit an annual consolidated
20 report to the Legislature containing the revenue and expenditure
21 data.